

AMENDED IN SENATE APRIL 16, 2007

AMENDED IN SENATE APRIL 9, 2007

SENATE BILL

No. 659

Introduced by Senator Calderon

February 23, 2007

An act to amend Sections 7500.3, 7507.6, 7507.12, and 7508.4 of the Business and Professions Code, to add Sections 2984.6 and 2993 to the Civil Code, to add Sections 3357, 15103, and 22329.5 to the Financial Code, and to amend Sections 14602.6, 14602.7, and 22850.5 of, and to add Section 11724 to, the Vehicle Code, relating to collateral recovery, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 659, as amended, Calderon. Repossessors.

Existing law, the Collateral Recovery Act, provides for the licensing and regulation of repossession agencies by the Bureau of Security and Investigative Services under the supervision and control of the Director of Consumer Affairs. The act provides that a repossession agency does not include the legal owner of specified collateral. With regard to collateral that is required to be registered with the Department of Motor Vehicles, the act requires the legal owner to be listed on the records with the Department of Motor Vehicles. The act also provides with respect to that type of collateral that a repossession is complete when the reposessor gains entry to the collateral or when the collateral becomes connected to a tow vehicle. The act requires a notice to be mailed to the Chief of the Bureau of Security and Investigative Services within 7 days of a licensee or its employees being involved in a violent act in the scope of his or her employment, as specified. The act

authorizes the Director of Consumer Affairs to assess administrative fines if a licensee fails to submit that notice.

This bill would provide that the legal owner of collateral that is required to be registered with the Department of Motor Vehicles shall include the legal owner listed on a valid conditional sales contract or rental or lease agreement in the name of a licensed vehicle dealer. The bill would require a licensee who was involved or whose employee was involved in a violent act or a threatened violent act while in the scope of his or her employment to mail a copy of the notice indicating that fact to the person who made the assignment to the licensee, as specified. The bill would authorize the director to assess specified administrative fines if a licensee fails to mail the copy of that notice. The bill would prohibit a person from interfering with a licensee in the lawful performance of his or her duties when repossession of a vehicle is complete. The bill would prohibit a holder of a lease contract, or a bank, credit union, finance lender, or vehicle dealer from assigning a reposessor to repossess a vehicle connected with an incident of violence notice without simultaneously advising the reposessor of the information contained in the notice. Because a willful violation of this prohibition by a credit union or a finance lender would be a crime, this bill would impose a state-mandated local program.

Existing law provides that a peace officer or, in certain other cases, a magistrate, may cause the removal and seizure of a vehicle, as specified. Existing law provides that a vehicle so seized may be impounded for 30 days. Under existing law, a vehicle removed and seized may be released to the legal owner or the legal owner's agent prior to the end of 30 days' impoundment if certain conditions are met, including, but not limited to, the requirement that the legal owner or the legal owner's agent present a copy of the assignment, as defined, and either a certificate of repossession for the vehicle, a security agreement for the vehicle, or title showing proof of legal ownership for the vehicle. Existing law prohibits an impounding agency from requiring any of these documents to be notarized. Existing law authorizes an impounding agency to require the agent of a legal owner to produce a copy of his or her repossession agency license. Existing law provides that an impounding agency that complies with certain requirements is not liable to a registered owner of a vehicle for the improper release of the vehicle, as specified.

This bill would additionally make these provisions applicable to a law enforcement agency or a person acting on behalf of the law enforcement agency or impounding agency.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 7500.3 of the Business and Professions
- 2 Code is amended to read:
- 3 7500.3. A repossession agency shall not include any of the
- 4 following:
- 5 (a) Any bank subject to the jurisdiction of the Commissioner
- 6 of Financial Institutions of the State of California under Division
- 7 1 (commencing with Section 99) of the Financial Code or the
- 8 Comptroller of the Currency of the United States.
- 9 (b) Any person organized, chartered, or holding a license or
- 10 authorization certificate to make loans pursuant to the laws of this
- 11 state or the United States who is subject to supervision by any
- 12 official or agency of this state or the United States.
- 13 (c) An attorney at law in performing his or her duties as an
- 14 attorney at law.
- 15 (d) The legal owner of collateral that is subject to a security
- 16 agreement or a bona fide employee employed exclusively and
- 17 regularly by the legal owner of collateral that is subject to a security
- 18 agreement. With regard to collateral subject to registration under
- 19 the Vehicle Code, the legal owner shall be the legal owner listed
- 20 on the records of the Department of Motor Vehicles or on a valid
- 21 conditional sales contract or rental or lease agreement in the name
- 22 of a licensed vehicle dealer as defined in Section 285 of the Vehicle
- 23 Code.
- 24 (e) An officer or employee of the United States of America, or
- 25 of this state or a political subdivision thereof, while the officer or

1 employee is engaged in the performance of his or her official
2 duties.

3 (f) A qualified certificate holder or a registrant when performing
4 services for, or on behalf of, a licensee.

5 SEC. 2. Section 7507.6 of the Business and Professions Code
6 is amended to read:

7 7507.6. (a) Within seven days after a violent act has occurred
8 involving a licensee, or any officer, partner, qualified certificate
9 holder, registrant or employee of a licensee, while acting within
10 the course and scope of his or her employment or contract, that
11 results in a police report or bodily harm or bodily injury, the
12 licensee or the licensee's qualified certificate holder or registrant,
13 shall mail or deliver to the chief a notice concerning the incident
14 upon a form provided by the bureau.

15 (b) Within seven days after the occurrence of a violent act or a
16 threatened violent act involving a licensee, or any officer, partner,
17 qualified certificate holder, registrant, or employee of a licensee
18 while acting within the course and scope of his or her employment
19 or contract, that results in a police report or bodily harm or bodily
20 injury, the licensee or the licensee's qualified certificate holder or
21 registrant shall send by certified mail, return receipt requested, a
22 notice containing information about the incident to the person or
23 individual who made the assignment. If the assignor is—a
24 ~~representative~~ *an agent* of a legal owner, the ~~representative agent~~
25 shall notify the legal owner of the contents of the notice.

26 (c) A licensee, qualified certificate holder, or registrant may
27 send the notice set forth in subdivision (b) for a violent act or
28 threatened violent act even if a police report is not made or no
29 bodily harm or bodily injury occurs.

30 SEC. 3. Section 7507.12 of the Business and Professions Code
31 is amended to read:

32 7507.12. With regard to collateral subject to registration under
33 the Vehicle Code, a repossession is complete when the reposessor
34 gains entry to the collateral or when the collateral becomes
35 connected to a tow truck or the reposessor's tow vehicle, as those
36 terms are defined in Section 615 of the Vehicle Code. No person
37 shall interfere with a reposessor in the lawful performance of his
38 or her duties by violating Section 415 of the Penal Code once the
39 repossession is complete.

1 SEC. 4. Section 7508.4 of the Business and Professions Code
2 is amended to read:

3 7508.4. The director may assess administrative fines for any
4 of the following prohibited acts:

5 (a) Conducting business from any location other than that
6 location to which a license was issued or conducting a business as
7 an individual, partnership, limited liability company, or corporation
8 unless the licensee holds a valid license issued to that exact same
9 individual, partnership, limited liability company, or corporation.
10 The fine shall be one thousand dollars (\$1,000) for each violation.

11 (b) Aiding or abetting an unlicensed reposessor or assigning
12 his or her license. "Assigning his or her license" means that no
13 licensee shall permit a registrant, employee, or agent in his or her
14 own name to advertise, engage clients, furnish reports, or present
15 bills to clients, or in any manner whatsoever to conduct business
16 for which a license is required under this chapter. The fine shall
17 be one thousand dollars (\$1,000) for each violation.

18 (c) Failing to register registrants within 15 days. The fine shall
19 be two hundred fifty dollars (\$250) for each of the first two
20 violations and one thousand dollars (\$1,000) for each violation
21 thereafter.

22 (d) Employing a person whose registration has expired or been
23 revoked, denied, suspended, or canceled, if the bureau has furnished
24 a listing of these persons to the licensee. The fine shall be
25 twenty-five dollars (\$25) for each violation.

26 (e) Failing to notify the bureau, within 30 days, of any change
27 in officers. A notice of warning shall be issued for the first
28 violation. Thereafter, the fine shall be twenty-five dollars (\$25)
29 for each violation.

30 (f) Failing to present the debtor with an itemized receipt of
31 payment, if payment is made in lieu of repossession. The fine shall
32 be twenty-five dollars (\$25) for the first violation and one hundred
33 dollars (\$100) for each violation thereafter.

34 (g) Failing to submit the notices regarding a violent act or
35 threatened violent act within seven days pursuant to Section 7507.6
36 or to submit a copy of a judgment awarded against the licensee
37 for an amount of more than the then prevailing maximum claim
38 that may be brought in small claims court within seven days
39 pursuant to Section 7507.7. The fine shall be twenty-five dollars

1 (\$25) for the first violation and one hundred dollars (\$100) per
2 violation thereafter.

3 (h) Failing to include the licensee's name, address, and license
4 number in any advertisement. A notice of warning shall be issued
5 for the first violation. Thereafter, the fine shall be twenty-five
6 dollars (\$25) for each violation.

7 (i) Failing to maintain personal effects for at least 60 days. The
8 fine shall be twenty-five dollars (\$25) for the first violation and
9 one hundred dollars (\$100) for each violation thereafter.

10 (j) Failing to provide a personal effects list or a notice of seizure
11 within the time limits set forth in Section 7507.9 or 7507.10. The
12 fine shall be twenty-five dollars (\$25) for the first violation and
13 one hundred dollars (\$100) for each violation thereafter.

14 (k) Failing to file the required report pursuant to Section 28 of
15 the Vehicle Code. The fine shall be twenty-five dollars (\$25) for
16 each of the first five violations and one hundred dollars (\$100) for
17 each violation thereafter, per audit.

18 (l) Failing to maintain an accurate record and accounting of
19 secure temporary registration forms. The qualified certificate holder
20 shall be fined twenty-five dollars (\$25) for the first violation, one
21 hundred dollars (\$100) for the second violation, two hundred fifty
22 dollars (\$250) for the third violation, and two hundred fifty dollars
23 (\$250) plus a one year suspension of the privilege to issue
24 temporary registrations pursuant to Section 7506.9 for the fourth
25 and subsequent violations.

26 (m) Representing that a licensee has an office and conducts
27 business at a specific address when that is not the case. The fine
28 shall be five thousand dollars (\$5,000) for each violation.

29 (n) Notwithstanding any other provision of law, the money in
30 the Private Security Services Fund that is attributable to
31 administrative fines imposed pursuant to subdivision (c) shall not
32 be continuously appropriated and shall be available for expenditure
33 only upon appropriation by the Legislature.

34 SEC. 5. Section 2984.6 is added to the Civil Code, to read:

35 2984.6. A holder of a conditional sales contract, purchase order,
36 or security interest, or the agent of a holder, who has received a
37 notice pursuant to Section 7507.6 of the Business and Professions
38 Code, shall not make a subsequent assignment to skip trace, locate,
39 or repossess the vehicle without simultaneously, and in the same
40 manner by which the assignment is given, advising the assignee

1 of the assignment of the information contained in the notice. As
2 used in this section, “assignment” has the same meaning set forth
3 in Section 7500.1 of the Business and Professions Code.

4 SEC. 6. Section 2993 is added to the Civil Code, to read:

5 2993. A holder of a lease contract, or the agent of a holder,
6 who has received a notice pursuant to Section 7507.6 of the
7 Business and Professions Code, shall not make a subsequent
8 assignment to skip trace, locate, or repossess the vehicle without
9 simultaneously, and in the same manner by which the assignment
10 is given, advising the assignee of the assignment of the information
11 contained in the notice. As used in this section, “assignment” has
12 the same meaning set forth in Section 7500.1 of the Business and
13 Professions Code.

14 SEC. 7. Section 3357 is added to the Financial Code, to read:

15 3357. A bank, or the agent of a bank, that has received a notice
16 pursuant to Section 7507.6 of the Business and Professions Code,
17 shall not make a subsequent assignment to skip trace, locate, or
18 repossess a vehicle without simultaneously, and in the same manner
19 by which the assignment is given, advising the assignee of the
20 assignment of the information contained in the notice. As used in
21 this section, “assignment” has the same meaning set forth in
22 Section 7500.1 of the Business and Professions Code.

23 SEC. 8. Section 15103 is added to the Financial Code, to read:

24 15103. A credit union, or the agent of a credit union, that has
25 received a notice pursuant to Section 7507.6 of the Business and
26 Professions Code, shall not make a subsequent assignment to skip
27 trace, locate, or repossess a vehicle without simultaneously, and
28 in the same manner by which the assignment is given, advising
29 the assignee of the assignment of the information contained in the
30 notice. As used in this section, “assignment” has the same meaning
31 set forth in Section 7500.1 of the Business and Professions Code.

32 SEC. 9. Section 22329.5 is added to the Financial Code, to
33 read:

34 22329.5. A licensee, or the agent of a licensee, that has received
35 a notice pursuant to Section 7507.6 of the Business and Professions
36 Code, shall not make a subsequent assignment to skip trace, locate,
37 or repossess the vehicle without simultaneously, and in the same
38 manner by which the assignment is given, advising the assignee
39 of the assignment of the information contained in the notice. As

1 used in this section, “assignment” has the same meaning set forth
2 in Section 7500.1 of the Business and Professions Code.

3 SEC. 10. Section 11724 is added to the Vehicle Code, to read:

4 11724. A dealer, or the agent of a dealer, who has received a
5 notice pursuant to Section 7507.6 of the Business and Professions
6 Code, shall not make a subsequent assignment to skip trace, locate,
7 or repossess a vehicle without simultaneously, and in the same
8 manner by which the assignment is given, advising the assignee
9 of the assignment of the information contained in the notice. As
10 used in this section, “assignment” has the same meaning set forth
11 in Section 7500.1 of the Business and Professions Code.

12 SEC. 11. Section 14602.6 of the Vehicle Code is amended to
13 read:

14 14602.6. (a) (1) Whenever a peace officer determines that a
15 person was driving a vehicle while his or her driving privilege was
16 suspended or revoked, driving a vehicle while his or her driving
17 privilege is restricted pursuant to Section 13352 or 23575 and the
18 vehicle is not equipped with a functioning, certified interlock
19 device, or driving a vehicle without ever having been issued a
20 driver’s license, the peace officer may either immediately arrest
21 that person and cause the removal and seizure of that vehicle or,
22 if the vehicle is involved in a traffic collision, cause the removal
23 and seizure of the vehicle without the necessity of arresting the
24 person in accordance with Chapter 10 (commencing with Section
25 22650) of Division 11. A vehicle so impounded shall be impounded
26 for 30 days.

27 (2) The impounding agency, within two working days of
28 impoundment, shall send a notice by certified mail, return receipt
29 requested, to the legal owner of the vehicle, at the address obtained
30 from the department, informing the owner that the vehicle has
31 been impounded. Failure to notify the legal owner within two
32 working days shall prohibit the impounding agency from charging
33 for more than 15 days’ impoundment when the legal owner
34 redeems the impounded vehicle. The impounding agency shall
35 maintain a published telephone number that provides information
36 24 hours a day regarding the impoundment of vehicles and the
37 rights of a registered owner to request a hearing.

38 (b) The registered and legal owner of a vehicle that is removed
39 and seized under subdivision (a) or their agents shall be provided
40 the opportunity for a storage hearing to determine the validity of,

1 or consider any mitigating circumstances attendant to, the storage,
2 in accordance with Section 22852.

3 (c) Any period in which a vehicle is subjected to storage under
4 this section shall be included as part of the period of impoundment
5 ordered by the court under subdivision (a) of Section 14602.5.

6 (d) (1) An impounding agency shall release a vehicle to the
7 registered owner or his or her agent prior to the end of 30 days'
8 impoundment under any of the following circumstances:

9 (A) When the vehicle is a stolen vehicle.

10 (B) When the vehicle is subject to bailment and is driven by an
11 unlicensed employee of a business establishment, including a
12 parking service or repair garage.

13 (C) When the license of the driver was suspended or revoked
14 for an offense other than those included in Article 2 (commencing
15 with Section 13200) of Chapter 2 of Division 6 or Article 3
16 (commencing with Section 13350) of Chapter 2 of Division 6.

17 (D) When the vehicle was seized under this section for an
18 offense that does not authorize the seizure of the vehicle.

19 (E) When the driver reinstates his or her driver's license or
20 acquires a driver's license and proper insurance.

21 (2) No vehicle shall be released pursuant to this subdivision
22 without presentation of the registered owner's or agent's currently
23 valid driver's license to operate the vehicle and proof of current
24 vehicle registration, or upon order of a court.

25 (e) The registered owner or his or her agent is responsible for
26 all towing and storage charges related to the impoundment, and
27 any administrative charges authorized under Section 22850.5.

28 (f) A vehicle removed and seized under subdivision (a) shall be
29 released to the legal owner of the vehicle or the legal owner's agent
30 prior to the end of 30 days' impoundment if all of the following
31 conditions are met:

32 (1) The legal owner is a motor vehicle dealer, bank, credit union,
33 acceptance corporation, or other licensed financial institution
34 legally operating in this state or is another person, not the registered
35 owner, holding a security interest in the vehicle.

36 (2) The legal owner or the legal owner's agent pays all towing
37 and storage fees related to the seizure of the vehicle. No lien sale
38 processing fees shall be charged to the legal owner who redeems
39 the vehicle prior to the 15th day of impoundment. Neither the
40 impounding authority nor any person having possession of the

1 vehicle shall collect from the legal owner of the type specified in
2 paragraph (1), or the legal owner's agent any administrative charges
3 imposed pursuant to Section 22850.5 unless the legal owner
4 voluntarily requested a poststorage hearing.

5 (3) The legal owner or the legal owner's agent presents a copy
6 of the assignment, as defined in subdivision (b) of Section 7500.1
7 of the Business and Professions Code, and any one of the
8 following: a certificate of repossession for the vehicle, a security
9 agreement for the vehicle, or title showing proof of legal ownership
10 for the vehicle. Any documents presented may be originals,
11 photocopies, or facsimile copies, or may be transmitted
12 electronically. The law enforcement agency, impounding agency,
13 or any person acting on behalf of those agencies shall not require
14 any documents to be notarized. The law enforcement agency,
15 impounding agency, or any person acting on behalf of those
16 agencies may require the agent of the legal owner to produce a
17 photocopy or facsimile copy of its repossession agency license or
18 registration issued pursuant to Chapter 11 (commencing with
19 Section 7500) of Division 3 of the Business and Professions Code,
20 or to demonstrate, to the satisfaction of the law enforcement
21 agency, impounding agency, or any person acting on behalf of
22 those agencies that the agent is exempt from licensure pursuant to
23 Section 7500.2 or 7500.3 of the Business and Professions Code.

24 No administrative costs authorized under subdivision (a) of
25 Section 22850.5 shall be charged to the legal owner of the type
26 specified in paragraph (1), who redeems the vehicle unless the
27 legal owner voluntarily requests a poststorage hearing. No city,
28 county, city or county, or state agency shall require a legal owner
29 or a legal owner's agent to request a poststorage hearing as a
30 requirement for release of the vehicle to the legal owner or the
31 legal owner's agent. The law enforcement agency, impounding
32 agency, or any person acting on behalf of those agencies shall not
33 require any documents other than those specified in this paragraph.
34 The law enforcement agency, impounding agency, or any person
35 acting on behalf of those agencies shall not require any documents
36 to be notarized.

37 (g) (1) A legal owner or the legal owner's agent that obtains
38 release of the vehicle pursuant to subdivision (f) may not release
39 the vehicle to the registered owner of the vehicle or any agents of
40 the registered owner, unless the registered owner is a rental car

1 agency, until after the termination of the 30-day impoundment
2 period.

3 (2) The legal owner or the legal owner's agent may not
4 relinquish the vehicle to the registered owner until the registered
5 owner or that owner's agent presents his or her valid driver's
6 license or valid temporary driver's license to the legal owner or
7 the legal owner's agent. The legal owner or the legal owner's agent
8 shall make every reasonable effort to ensure that the license
9 presented is valid.

10 (3) Prior to relinquishing the vehicle, the legal owner may
11 require the registered owner to pay all towing and storage charges
12 related to the impoundment and any administrative charges
13 authorized under Section 22850.5 that were incurred by the legal
14 owner in connection with obtaining custody of the vehicle.

15 (h) (1) A vehicle removed and seized under subdivision (a)
16 shall be released to a rental car agency prior to the end of 30 days'
17 impoundment if the agency is either the legal owner or registered
18 owner of the vehicle and the agency pays all towing and storage
19 fees related to the seizure of the vehicle.

20 (2) The owner of a rental vehicle that was seized under this
21 section may continue to rent the vehicle upon recovery of the
22 vehicle. However, the rental car agency may not rent another
23 vehicle to the driver of the vehicle that was seized until 30 days
24 after the date that the vehicle was seized.

25 (3) The rental car agency may require the person to whom the
26 vehicle was rented to pay all towing and storage charges related
27 to the impoundment and any administrative charges authorized
28 under Section 22850.5 that were incurred by the rental car agency
29 in connection with obtaining custody of the vehicle.

30 (i) Notwithstanding any other provision of this section, the
31 registered owner and not the legal owner shall remain responsible
32 for any towing and storage charges related to the impoundment,
33 any administrative charges authorized under Section 22850.5, and
34 any parking fines, penalties, and administrative fees incurred by
35 the registered owner.

36 (j) The law enforcement agency and the impounding agency,
37 including any tow yard acting on behalf of the law enforcement
38 agency or impounding agency, shall not be liable to the registered
39 owner for the improper release of the vehicle to the legal owner

1 or the legal owner's agent provided the release complies with the
2 provisions of this section.

3 SEC. 12. Section 14602.7 of the Vehicle Code is amended to
4 read:

5 14602.7. (a) A magistrate presented with the affidavit of a
6 peace officer establishing reasonable cause to believe that a vehicle,
7 described by vehicle type and license number, was an
8 instrumentality used in the peace officer's presence in violation
9 of Section 2800.1, 2800.2, 2800.3, or 23103, shall issue a warrant
10 or order authorizing any peace officer to immediately seize and
11 cause the removal of the vehicle. The warrant or court order may
12 be entered into a computerized database. A vehicle so impounded
13 may be impounded for a period not to exceed 30 days.

14 The impounding agency, within two working days of
15 impoundment, shall send a notice by certified mail, return receipt
16 requested, to the legal owner of the vehicle, at the address obtained
17 from the department, informing the owner that the vehicle has
18 been impounded and providing the owner with a copy of the
19 warrant or court order. Failure to notify the legal owner within
20 two working days shall prohibit the impounding agency from
21 charging for more than 15 days impoundment when a legal owner
22 redeems the impounded vehicle.

23 (b) (1) An impounding agency shall release a vehicle to the
24 registered owner or his or her agent prior to the end of the
25 impoundment period and without the permission of the magistrate
26 authorizing the vehicle's seizure under any of the following
27 circumstances:

28 (A) When the vehicle is a stolen vehicle.

29 (B) When the vehicle is subject to bailment and is driven by an
30 unlicensed employee of the business establishment, including a
31 parking service or repair garage.

32 (C) When the registered owner of the vehicle causes a peace
33 officer to reasonably believe, based on the totality of the
34 circumstances, that the registered owner was not the driver who
35 violated Section 2800.1, 2800.2, or 2800.3, the agency shall
36 immediately release the vehicle to the registered owner or his or
37 her agent.

38 (2) No vehicle shall be released pursuant to this subdivision,
39 except upon presentation of the registered owner's or agent's

1 currently valid driver's license to operate the vehicle and proof of
2 current vehicle registration, or upon order of the court.

3 (c) (1) Whenever a vehicle is impounded under this section,
4 the magistrate ordering the storage shall provide the vehicle's
5 registered and legal owners of record, or their agents, with the
6 opportunity for a poststorage hearing to determine the validity of
7 the storage.

8 (2) A notice of the storage shall be mailed or personally
9 delivered to the registered and legal owners within 48 hours after
10 issuance of the warrant or court order, excluding weekends and
11 holidays, by the person or agency executing the warrant or court
12 order, and shall include all of the following information:

13 (A) The name, address, and telephone number of the agency
14 providing the notice.

15 (B) The location of the place of storage and a description of the
16 vehicle, which shall include, if available, the name or make, the
17 manufacturer, the license plate number, and the mileage of the
18 vehicle.

19 (C) A copy of the warrant or court order and the peace officer's
20 affidavit, as described in subdivision (a).

21 (D) A statement that, in order to receive their poststorage
22 hearing, the owners, or their agents, are required to request the
23 hearing from the magistrate issuing the warrant or court order in
24 person, in writing, or by telephone, within 10 days of the date of
25 the notice.

26 (3) The poststorage hearing shall be conducted within two court
27 days after receipt of the request for the hearing.

28 (4) At the hearing, the magistrate may order the vehicle released
29 if he or she finds any of the circumstances described in subdivision
30 (b) or (e) that allow release of a vehicle by the impounding agency.
31 The magistrate may also consider releasing the vehicle when the
32 continued impoundment will cause undue hardship to persons
33 dependent upon the vehicle for employment or to a person with a
34 community property interest in the vehicle.

35 (5) Failure of either the registered or legal owner, or his or her
36 agent, to request, or to attend, a scheduled hearing satisfies the
37 poststorage hearing requirement.

38 (6) The agency employing the peace officer who caused the
39 magistrate to issue the warrant or court order shall be responsible
40 for the costs incurred for towing and storage if it is determined in

1 the poststorage hearing that reasonable grounds for the storage are
2 not established.

3 (d) The registered owner or his or her agent is responsible for
4 all towing and storage charges related to the impoundment, and
5 any administrative charges authorized under Section 22850.5.

6 (e) A vehicle removed and seized under subdivision (a) shall
7 be released to the legal owner of the vehicle or the legal owner's
8 agent prior to the end of the impoundment period and without the
9 permission of the magistrate authorizing the seizure of the vehicle
10 if all of the following conditions are met:

11 (1) The legal owner is a motor vehicle dealer, bank, credit union,
12 acceptance corporation, or other licensed financial institution
13 legally operating in this state or is another person, not the registered
14 owner, holding a financial interest in the vehicle.

15 (2) The legal owner or the legal owner's agent pays all towing
16 and storage fees related to the seizure of the vehicle. No lien sale
17 processing fees shall be charged to the legal owner who redeems
18 the vehicle prior to the 15th day of impoundment. Neither the
19 impounding authority nor any person having possession of the
20 vehicle shall collect from the legal owner of the type specified in
21 paragraph (1), or the legal owner's agent any administrative charges
22 imposed pursuant to Section 22850.5 unless the legal owner
23 voluntarily requested a poststorage hearing.

24 (3) The legal owner or the legal owner's agent presents a copy
25 of the assignment, as defined in subdivision (b) of Section 7500.1
26 of the Business and Professions Code, and any one of the
27 following: a certificate of repossession for the vehicle, a security
28 agreement for the vehicle, or title showing proof of legal ownership
29 for the vehicle. Any documents presented may be originals,
30 photocopies, or facsimile copies, or may be transmitted
31 electronically. The law enforcement agency, impounding agency,
32 or any person acting on behalf of those agencies shall not require
33 any documents to be notarized. The law enforcement agency,
34 impounding agency, or any person acting on behalf of those
35 agencies may require the agent of the legal owner to produce a
36 photocopy or facsimile copy of its repossession agency license or
37 registration issued pursuant to Chapter 11 (commencing with
38 Section 7500) of Division 3 of the Business and Professions Code,
39 or to demonstrate, to the satisfaction of the law enforcement
40 agency, impounding agency, or any person acting on behalf of

1 those agencies that the agent is exempt from licensure pursuant to
2 Section 7500.2 or 7500.3 of the Business and Professions Code.

3 No administrative costs authorized under subdivision (a) of
4 Section 22850.5 shall be charged to the legal owner of the type
5 specified in paragraph (1), who redeems the vehicle unless the
6 legal owner voluntarily requests a poststorage hearing. No city,
7 county, city and county, or state agency shall require a legal owner
8 or a legal owner's agent to request a poststorage hearing as a
9 requirement for release of the vehicle to the legal owner or the
10 legal owner's agent. The law enforcement agency, impounding
11 agency, or any person acting on behalf of those agencies shall not
12 require any documents other than those specified in this paragraph.
13 The law enforcement agency, impounding agency, or any person
14 acting on behalf of those agencies shall not require any documents
15 to be notarized.

16 (f) (1) A legal owner or the legal owner's agent that obtains
17 release of the vehicle pursuant to subdivision (e) shall not release
18 the vehicle to the registered owner of the vehicle or any agents of
19 the registered owner, unless a registered owner is a rental car
20 agency, until the termination of the impoundment period.

21 (2) The legal owner or the legal owner's agent shall not
22 relinquish the vehicle to the registered owner until the registered
23 owner or that owner's agent presents his or her valid driver's
24 license or valid temporary driver's license to the legal owner or
25 the legal owner's agent. The legal owner or the legal owner's agent
26 shall make every reasonable effort to ensure that the license
27 presented is valid.

28 (3) Prior to relinquishing the vehicle, the legal owner may
29 require the registered owner to pay all towing and storage charges
30 related to the impoundment and the administrative charges
31 authorized under Section 22850.5 that were incurred by the legal
32 owner in connection with obtaining the custody of the vehicle.

33 (g) (1) A vehicle impounded and seized under subdivision (a)
34 shall be released to a rental car agency prior to the end of the
35 impoundment period if the agency is either the legal owner or
36 registered owner of the vehicle and the agency pays all towing and
37 storage fees related to the seizure of the vehicle.

38 (2) The owner of a rental vehicle that was seized under this
39 section may continue to rent the vehicle upon recovery of the
40 vehicle. However, the rental car agency shall not rent another

1 vehicle to the driver who used the vehicle that was seized to evade
2 a police officer until 30 days after the date that the vehicle was
3 seized.

4 (3) The rental car agency may require the person to whom the
5 vehicle was rented and who evaded the peace officer to pay all
6 towing and storage charges related to the impoundment and any
7 administrative charges authorized under Section 22850.5 that were
8 incurred by the rental car agency in connection with obtaining
9 custody of the vehicle.

10 (h) Notwithstanding any other provision of this section, the
11 registered owner and not the legal owner shall remain responsible
12 for any towing and storage charges related to the impoundment
13 and the administrative charges authorized under Section 22850.5
14 and any parking fines, penalties, and administrative fees incurred
15 by the registered owner.

16 (i) (1) This section does not apply to vehicles abated under the
17 Abandoned Vehicle Abatement Program pursuant to Sections
18 22660 to 22668, inclusive, and Section 22710, or to vehicles
19 impounded for investigation pursuant to Section 22655, or to
20 vehicles removed from private property pursuant to Section 22658.

21 (2) This section does not apply to abandoned vehicles removed
22 pursuant to Section 22669 that are determined by the public agency
23 to have an estimated value of three hundred dollars (\$300) or less.

24 (j) The law enforcement agency and the impounding agency,
25 including any tow yard acting on behalf of the law enforcement
26 agency or impounding agency, shall not be liable to the registered
27 owner for the improper release of the vehicle to the legal owner
28 or the legal owner's agent provided the release complies with the
29 provisions of this section.

30 SEC. 13. Section 22850.5 of the Vehicle Code is amended to
31 read:

32 22850.5. (a) A city, county, or city and county, or a state
33 agency may adopt a regulation, ordinance, or resolution
34 establishing procedures for the release of properly impounded
35 vehicles and for the imposition of a charge equal to its
36 administrative costs relating to the removal, impound, storage, or
37 release of the vehicles. Those administrative costs may be waived
38 by the local or state authority upon verifiable proof that the vehicle
39 was reported stolen at the time the vehicle was removed.

1 (b) The following apply to any charges imposed for
2 administrative costs pursuant to subdivision (a):

3 (1) The charges shall only be imposed on the registered owner
4 or the agents of that owner and shall not include any vehicle towed
5 under an abatement program or sold at a lien sale pursuant to
6 Sections 3068.1 to 3074, inclusive, of, and Section 22851 of, the
7 Civil Code unless the sale is sufficient in amount to pay the
8 lienholder's total charges and proper administrative costs.

9 (2) Any charges shall be collected by the local or state authority
10 only from the registered owner or an agent of the registered owner.

11 (3) The charges shall be in addition to any other charges
12 authorized or imposed pursuant to this code.

13 (4) No charge may be imposed for any hearing or appeal relating
14 to the removal, impound, storage, or release of a vehicle unless
15 that hearing or appeal was requested in writing by the registered
16 or legal owner of the vehicle or an agent of that registered or legal
17 owner. In addition, the charge may be imposed only upon the
18 person requesting that hearing or appeal.

19 No administrative costs authorized under subdivision (a) shall
20 be charged to the legal owner who redeems the vehicle unless the
21 legal owner voluntarily requests a poststorage hearing. No city,
22 county, city and county, or state agency shall require a legal owner
23 or a legal owner's agent to request a poststorage hearing as a
24 requirement for release of the vehicle to the legal owner or the
25 legal owner's agent. The impounding agency, or any person acting
26 on behalf of agency, shall not require the legal owner or the legal
27 owner's agent to produce any documents other than those specified
28 in paragraph (3) of subdivision (f) of Section 14602.6 or paragraph
29 (3) of subdivision (e) of Section 14602.7. The impounding agency,
30 or any person acting on behalf of the agency, shall not require any
31 documents to be notarized.

32 SEC. 14. No reimbursement is required by this act pursuant to
33 Section 6 of Article XIII B of the California Constitution because
34 the only costs that may be incurred by a local agency or school
35 district will be incurred because this act creates a new crime or
36 infraction, eliminates a crime or infraction, or changes the penalty
37 for a crime or infraction, within the meaning of Section 17556 of
38 the Government Code, or changes the definition of a crime within
39 the meaning of Section 6 of Article XIII B of the California
40 Constitution.

1 SEC. 15. This act is an urgency statute necessary for the
2 immediate preservation of the public peace, health, or safety within
3 the meaning of Article IV of the Constitution and shall go into
4 immediate effect. The facts constituting the necessity are:

5 In order to avoid at the earliest possible time potential obstacles
6 to certain individuals purchasing, selling, leasing, or repossessing
7 vehicles, it is necessary that this act take effect immediately.